

Citizen Street Repair Review Panel 2011 Report

Implementation Update for Measure 20-145 Bonds to Fix Streets



MEMORANDUM

Date: January 11, 2012

To: City Manager Jon Ruiz

From: Street Repair Review Panel

Subject: Year-Three Report of the Street Repair Review Panel

It is our pleasure to present the third annual report of the Street Repair Review Panel (SRRP). This panel was formed, and this report was written, in response to the accountability provisions in Measure 20-145 (bond measure to fix streets).

Over the past year, the 12-member panel met two times to develop a recommendation of additional streets to be repaired with the bond measure proceeds remaining. In addition, we met three times over a three-month period in preparation of this report, which included a physical inspection of the projects completed in 2011. We reviewed and accepted the report prepared by the City's external auditor with respect to the City's use of the bond proceeds through November 30, 2011.

Based on this limited review and all materials presented to us, we unanimously conclude that the bond proceeds were used for the authorized purposes and in compliance with the limitations and restrictions outlined in Council Resolution 4953. We are also providing a detailed report, prepared at our request and with our approval, from the Public Works staff on the bond projects constructed in 2011.

Highlights from our review of the 2011 street bond projects:

- **Sustainability** -- Council goals for waste reduction require that the quantity of materials placed in landfill be reduced. In 2011 Public Works conducted a pilot project on Conger and Wilson streets, specifying that reclaimed asphalt shingles (RAS) be used as a binder in the asphalt mix. In future projects, this mix could employ used local asphalt shingles and, thereby, keep this material from entering the waste stream. However, addition of RAS reduces the amount of reclaimed asphalt pavement that can be used in the mix. Use of RAS does appear to be worth further investigation, both of the performance and longevity of the pavement mix, and the contribution to the City's sustainability goals of the mixture's use. The City continues to use warm mix asphalt and in-place recycling techniques to improve the quality, environmental footprint, and cost efficiency of the street bond projects.
- **Economic Impact** – Based on the Oregon Department of Transportation Highway Division's jobs multiplier model, the 10 bond measure repair projects completed in 2011 conservatively sustained approximately 135 full-time equivalent jobs during the period of construction.

- **Future projects** – The bond allowed that if all of the projects listed in the bond measure were completed and there were bond proceeds remaining, the Council may add other street preservation projects to the list. In early 2011, the SRRP and City staff began meeting to discuss a recommendation to City Council regarding how to use the projected remaining bond funds. On May 11, 2011, and October 26, 2011, City Council approved 22 additional streets to be repaired with remaining bond funds. A portion of the local gas tax may be needed to supplement the bond measure to complete all the additional street projects.
- **Forecast** – Based on the 2011 Pavement Management Report, even though the backlog estimate decreased from \$151 million to \$139 million in 2011, the current year level of funding of \$9.5 million, including the \$6.5 million bond measure, is projected to be insufficient to keep the backlog from growing. The backlog will continue to grow unless additional funds are invested in street preservation at a rate that exceeds or matches the rate of deterioration.
- **Overall Condition Index (OCI)** - All roads in our transportation system gradually decline in OCI until, reaching some range of OCI value, every road needs either an overlay or reconstruction. An important program goal is to keep streets from falling into the more expensive reconstruction category. Even though many lane miles may be overlaid or reconstructed in a given year, during that same year, the OCI indices of other roads decline sufficiently that some additional roads fall into the backlog category. This fact is a primary reason why the backlog does not decline in some relatively direct proportion to the expenditure of funds for overlay and reconstruction.
- **Progress** – To date, the use of bond proceeds has allowed the City to address 48.5 lane miles of streets at a cost of \$16.4 million. In addition, \$1.6 million has been spent reconstructing 1.7 miles of off-street shared-use paths.
- **Bottom line** – Many roads are getting fixed, the rate of deterioration has been slowed on others, and the bonds are meeting the objectives of Ballot Measure 20-145.

We appreciate the support and thoughtful responses to our questions provided by Public Works Director Kurt Corey and his staff. The Committee also expresses our appreciation to the voters and taxpayers of Eugene for their support of the bond measure. We believe the voters are getting a good return for their investment.

Additional information about the Street Repair Review Panel, including action summaries of our meetings and a variety of reports and studies, can be found at www.eugene-or.gov/gobonds. Please feel free to contact any of us for additional information.

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2011 Report of the Citizen Street Repair Review Panel

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INTRODUCTION

BACKGROUND

This report has been compiled by Public Works staff at the request of the Street Repair Review Panel (SRRP). It is intended to give background on projects included in Bond Measure 20-145, the schedule for construction of these projects, and details of bond projects constructed in 2011.

KEY TERMS

Bond - Bond Measure 20-145, Bonds to Fix Streets, approved by Eugene voters in November 2008.

In-Place Recycling - A process in which a large piece of equipment called a reclaimer mixes the existing base rock and a portion of subgrade soils with dry cement and water to create a cement treated base. This process greatly reduces the use of virgin materials and trucking that are needed using conventional remove and replace construction techniques.

PPP - Pavement preservation program. This is the current capital project program to preserve Eugene's improved street system. Priority for this program is to preserve streets that have not yet degraded to a point where reconstruction is required. Preserving a street through overlay or similar treatment is four to five times more cost effective than waiting to repair a street after it requires reconstruction. This program was initiated in 2003 and is predominately funded with local fuel tax and the reimbursement fee component of the transportation system development charges.

Reclaimed Asphalt Shingles (RAS) Asphalt Pavement – RAS Asphalt Pavement is a pavement that utilizes reclaimed asphalt shingles in the pavement mix as asphalt binder. From a sustainability perspective, the City is interested in processes that may reduce materials that are landfilled in Lane County. In order to investigate the viability of the use of this material, the City conducted a pilot project by specifying a percentage of the asphalt cement to be replaced with asphalt shingles on two street paving projects in 2011. The Oregon Department of Transportation (ODOT) has also been investigating this process and the City used information and specifications developed by ODOT as a basis for the City project. The reclaimed shingles may be from tear offs (removed from houses in roof replacement work) or reject material from shingle manufacturers or retail sellers. In the case of the pilot project conducted by the City, the shingles were rejects from the manufacturer.

Warm Mix Asphalt - Warm mix asphalt concrete is identical to conventional hot mix asphalt concrete, except that through a special mixing process it is produced at a temperature approximately 50 to 100 degrees cooler than conventional hot mix asphalt. In Eugene, all asphalt concrete producers have retrofitted their plants to produce warm mix asphalt using a water foaming process. The foaming process allows temperature reductions of approximately 50 degrees. This reduction in temperature has several advantages:

1. Reduces energy consumption to produce asphalt concrete, lowering costs and greenhouse gas emissions.
2. Reduces off-gassing (smoke) of asphalt concrete by keeping temperature under the boiling point of "light oils" in the liquid asphalt, benefiting construction workers and the public.
3. Because the light oils are not boiled off, the liquid asphalt coating the rock particles is slightly thicker, which will slow the aging process of the asphalt.
4. Reduces the oxidation caused during high temperature production that causes premature aging of the asphalt, which should provide a longer life product.

SRRP MISSION

Per Resolution No. 4953, the SRRP "will prepare a report, separate and distinct from the report prepared by the outside auditor, documenting the City's use of the bond proceeds and noting whether the bond proceeds were used in compliance with the terms of this Resolution."

CRITERIA FOR PROJECT SELECTION AND SCHEDULING

STREET PROJECTS

Street projects to be included in the bond were specifically listed (see Appendix A). All street projects were identified by the Public Works Maintenance Pavement Management System as priorities for repair. In addition, the following criteria were used to select streets for the bond measure:

1. Citizen input with respect to prioritizing major streets in need of reconstruction.
2. Scientific information about needed street rehabilitation and reconstruction from the pavement management system.
3. Geographic distribution throughout the community to ensure all areas of the City receive a benefit from the bond proceeds.

In 2011, the trend seen in 2009 and 2010 of the total projected expenses for the bond projects being lower than the programmed funds available continued. The three main reasons for the difference in project costs described in the earlier reports continued as follows:

1. The bidding climate continues to be favorable overall for public works street projects.
2. Use of new treatment technologies such as in-place cement treated base instead of conventional reconstruction has reduced costs.
3. Streets originally identified as reconstructs in the pavement management system with deep lift asphalt sections are able to be rehabilitated instead of needing a full reconstruct.

As noted in the *2009 and 2010 Report from the Citizen Street Repair Review Panel*, "If construction costs continue to be favorable the City will look for opportunities, where reasonable and feasible, to bring projects forward and construct them earlier within the 5-year bond period".

Based on the favorable bidding climate early in the bond and cost reductions due to rehabilitation and reconstruction techniques realized in the first two years of bond construction, the City plans to construct the majority of the remaining projects in 2012, except three remaining streets being constructed in 2013. The original bond allowed that if all of the projects listed in the Bond Measure were completed and there were bond proceeds remaining, the Council may add other street preservation projects to the list. In early 2011, the SRRP and City staff began meeting to discuss a recommendation to City Council regarding how to use the projected remaining bond funds. On May 11, 2011 and October 26, 2011, City Council approved additional streets to be repaired with remaining bond funds (See Appendix A).

The remaining projects from the original bond measure are scheduled for construction in the 2012 construction year with the exception of Blair Street and Van Buren Street which are currently scheduled for 2013 to coordinate with Transportation Enhancement grant funds currently being applied for, and Coburg Road from Chad to Crescent which is scheduled for 2013 to coordinate with the section of Coburg Road added to the list of streets to be repaired with remaining bond funds by Council in 2011. Twelve streets with total programmed funding of over \$6 million are scheduled for 2012. The remaining projects from the original bond measure and the 22 additional projects approved by City Council are scheduled to be constructed in 2013.

A list of the street bond projects, their estimated repair cost from the Pavement Management System in 2008 dollars, and the year scheduled for construction is included in Appendix A. For projects completed in 2009 through 2011, the list includes a comparison of programmed costs to actual costs with any difference noted. Differences in total project costs on individual projects will affect the funding available for future projects. A second list (Appendix B) includes projected costs for all projects through the end of the bond in 2013, including the streets added to the list by City Council in 2011. If necessary, the City plans to supplement the bond funds with local gas tax funds to ensure completion of the list.

OFF-STREET (SHARED-USE) PATH PROJECTS

The bond measure states that the City will allocate not less than \$350,000 each year to fund the overlay and reconstruction of existing off-street bicycle and pedestrian paths. These projects were not named in the bond measure, but a list of prioritized projects has been developed. As with streets, Public Works Maintenance performs routine inspection of off-street paths. Information on path condition was cross-referenced with path pedestrian and bicycle usage counts collected by the Public Works Engineering Transportation Planning team. City staff presented the data to the citizen Bicycle and Pedestrian Advisory Committee (BPAC) and collaboratively developed a prioritized list of off-street path repair projects. This list is included in Appendix A (also see the accompanying bond project map in Appendix C).

USE OF OTHER FUNDS IN CONJUNCTION WITH STREET BOND FUNDS

The use of street-repair bond funds is limited to the overlay or reconstruction of the driving surface of streets as well as to preserve existing integral elements of the street such as curbs, gutters, sidewalks, on-street bike lanes, traffic signals, street lights, medians, traffic calming devices, and other integral parts of a street preservation project (Council Resolution 4953, Section D).

However, there is often a need or an opportunity to complete additional work as part of the construction contracts for street preservation. The additional work may be funded by wastewater and stormwater utility funds, local gas taxes, transportation system development charges, or state and federal grants.

Wastewater and stormwater utility funds are used to repair and rehabilitate the existing wastewater and stormwater systems, respectively, that underlie much of the city's street system. Making these repairs in coordination with the street bond projects is a cost-effective way to accomplish the work and precludes emergency repairs in the future that would require cutting new pavement.

Local gas taxes were used for preliminary engineering conducted in advance of the street bond measure's passage. This assured a quick start of bond measure projects in 2009. Local gas taxes have also been used to include adjacent streets in the street bond project contracts.

Transportation system development charges (SDCs) are often used to upgrade existing signal systems during pavement preservation projects. The work typically includes installing new conduit under the pavement to connect the traffic detection loops to the signal controller.

SUSTAINABILITY

The City of Eugene continually strives to improve the quality, environmental footprint, and cost efficiency of its projects. Two technologies that were used in 2011 meeting these criteria are warm mix asphalt and in-place recycling.

Warm mix asphalt continued to be specified for all the paving projects in 2011 in place of conventional hot mix asphalt. As explained in the Key Terms section of this report warm mix asphalt provides environmental and human health benefits as well as a potentially longer lasting product. The National Cooperative Highway Research Program (NCHRP) estimates that there is a CO₂ savings of 12 pounds per ton of pavement using warm mix as compared to hot mix asphalt. The NCHRP also estimates that the use of warm mix asphalt reduces the energy used in the asphalt batch plant by about 30% compared to hot mix asphalt.

In-place recycling (see Key Terms) was used on the street bond projects on Hilyard Street (24th – 34th Avenue) and Willamette Street (29th – 46th Avenue) in 2011. It is estimated that using the in-place recycling process for the Willamette Street project eliminated the need to excavate and haul away 7,000 cubic yards of material and eliminated hauling 8,100 tons of new base rock to the site, saving over 700 truck trips for the project.

The City of Eugene started using the in-place recycling process to realize the environmental, economic and social benefits to the community that can come from this type of process. The reduction in land filling, material mining, and truck hauling all have direct environmental benefits; the reduction in excavating existing roadway materials and importing virgin construction materials have direct economic benefits; and the reduction in construction time has a direct social benefit.

As mentioned above in the Key Terms section, the City performed pilot projects on Conger Street and Wilson Street to investigate the viability of using reclaimed asphalt shingles in asphalt pavement mix. From a sustainability perspective, the City is interested in processes that may reduce materials that are landfilled in Lane County. The overall benefits from using this material were inconclusive as there is the trade off in reduced reclaimed asphalt pavement content in the mix. This process does appear to be worth further investigation.

FUNDING STATUS AND FORECAST

As discussed in the section on Street Projects, construction bids, innovative treatment technologies, and other variables have substantially reduced project costs through the first three years of the bond. The total budget for bond projects constructed in 2009 through 2011 was \$23,738,000; total expenditures were approximately \$18,008,000. As noted above, in early 2011 the SRRP and City staff began meeting to discuss a recommendation to City Council regarding how to use the projected remaining bond funds. On May 11, 2011 and October 26, 2011, City Council approved 22 additional streets to be repaired with remaining bond funds. At this time, it is projected that the cost of the 22 additional streets is \$14 million. The City plans to supplement the bond funds with local gas tax funds if necessary to ensure completion of the list.

2011 Bond Construction Projects

The 2011 construction projects received very favorable bids. Some of the total costs for each project listed on the following pages are estimated as not all of the 2011 construction projects have been finalized as of December 7, 2011.

18th Avenue from Patterson Street to Washington Street

Project Description: This project included a combination of reconstruction and rehabilitation methods to repave 18th Avenue from Patterson Street to Washington Street. In addition, some repairs were made to the intersection of 18th at Jefferson Street in this construction contract using local gas tax funds.

Treatment Methodology: Pavement testing confirmed the need to reconstruct the majority of 18th Avenue due to the poor condition of the street surfacing, which was exhibiting severe fatigue (load-related) cracking and severe transverse cracking and rutting. The sections of 18th Avenue from Lincoln to Olive and Willamette to Pearl consisted of asphalt pavement over Portland cement concrete pavement and the existing condition of these sections allowed the street to be rehabilitated by removing the top 2 to 4 inches of failed asphalt pavement and repaving. The remainder of 18th Avenue was reconstructed. The asphalt pavement reconstruction sections used for the project were 9 inches of warm mix asphalt on base rock.

Costs: Total project costs, from all funding sources, are estimated at \$1,720,000.

Total Bond Funds Programmed to the Project =	\$2,052,000
Total Projected/Actual Bond Funds Used =	\$1,716,000
Difference =	\$ 336,000

Additional Sources of Funding: Local gas taxes and stormwater and wastewater utility fees.

Project Photos:



Alder Street from Broadway to 18th Avenue

Project Description: This project included reconstruction of Alder Street from Broadway/Franklin to 18th Avenue. In addition, to the paving work on Alder Street, the City obtained a grant from the Oregon Department of Transportation (ODOT) through the Bicycle-Pedestrian Program, local gas tax funds and transportation system development charges to reconstruct 13th Avenue from Alder to Kincaid and make a variety of streetscaping, parking and bicycle and pedestrian improvements to both Alder Street and 13th Avenue, including a new traffic signal at the intersection of Alder and Broadway/Franklin.

Treatment Methodology: Pavement testing confirmed the need to reconstruct Alder Street due to the poor condition of the street surfacing, which was exhibiting severe fatigue (load-related) cracking and severe transverse cracking and rutting.

Costs: Total project costs, from all funding sources, are estimated at \$2,300,000.

Total Bond Funds Programmed to the Project = \$ 964,000

Total Projected/Actual Bond Funds Used = \$1,190,000

Difference = \$ -226,000

In conducting subsurface testing, it was determined that the sub-surface soil conditions did not support the traffic loading of this street, especially the bus loading. The design of the reconstructed street resulted in a thicker pavement structure than originally anticipated for a neighborhood collector street.

Additional Sources of Funding: ODOT Bicycle-Pedestrian grant (\$707,000 for both Alder and 13th Avenue), local gas taxes, transportation system development charges, and stormwater and wastewater utility fees.

Project Photos:



Coburg Road from Willakenzie Road to Oakway Road

Project Description: This project included rehabilitation of Coburg Road from Willakenzie Road to Oakway Road with isolated areas of full-depth pavement removal and replacement.

Treatment Methodology: Pavement testing and evaluation of the current conditions by City staff indicated that Coburg Road could be rehabilitated by removing the top 2 to 4 inches of failed pavement and replacing it with new warm mix asphalt pavement. The center turn lane was in very good condition and only needed the surface sealed. The intersection of Coburg Road and Cal Young had more severe deterioration and required 11 inches of existing base rock and asphalt pavement to be removed and be replaced with 11 inches of new warm mix asphalt pavement.

Costs: Total project costs, from all funding sources, are estimated at \$1,476,000.

Total Bond Funds Programmed to the Project = \$1,479,000

Total Projected/Actual Bond Funds Used = \$1,417,000

Difference = \$62,000

Additional Sources of Funding: Stormwater and wastewater utility fees and transportation system development charges.

Project Photos:



Conger Street from 7th Avenue to 11th Avenue

Project Description: This project included rehabilitation of Conger Street from 5th Avenue to 11th Avenue with isolated areas of full-depth pavement removal and replacement. The section from 7th to 11th Avenue was identified in the bond measure to be rehabilitated. In conducting the evaluation of the existing conditions, it was determined that the section from 5th to 7th also needed to be rehabilitated and local gas tax funds were used to supplement the bond funds to complete the entire length from 5th to 11th.

Treatment Methodology: Pavement testing and evaluation of the current conditions by City staff indicated that the majority of Conger Street could be rehabilitated by removing the top 3.5 inches of failed pavement and replacing it with 5 inches of new warm mix asphalt pavement. These repairs were needed to remove cracking and add structural strength to the pavement section to account for traffic loads. The City also specified the use of Reclaimed Asphalt Shingles (RAS) in the warm mix pavement.

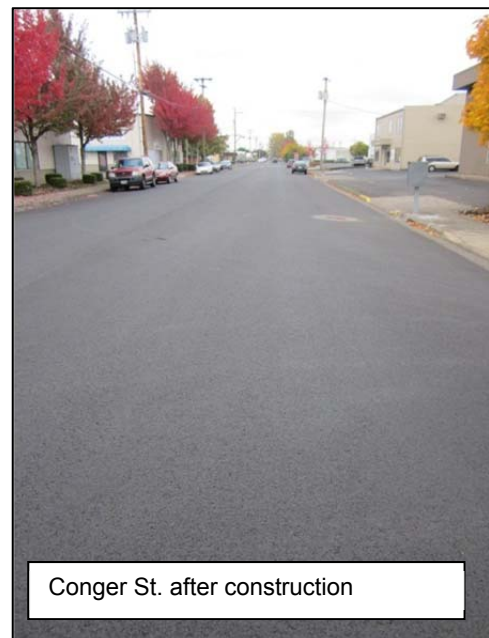
Costs: Total project costs, from all funding sources, are estimated at \$331,000.

Total Bond Funds Programmed to the Project =	\$ 147,000
Total Projected/Actual Bond Funds Used =	\$ 201,000
Difference =	\$ -54,000

As noted above, this street was exhibiting load related failures due to the industrial nature of the traffic and testing confirmed that the street needed strengthening in order to meet a 20-year design life. The programmed budget was based on a typical grind and re-paving process. Instead, additional pavement thickness was needed to address the lack of strength and increased the project cost.

Additional Sources of Funding: Local gas taxes and stormwater and wastewater utility fees.

Project Photos:



Hilyard Street from 24th Avenue to 34th Avenue

Project Description: This project included a mix of reconstruction and rehabilitation of Hilyard Street from 24th Avenue to 34th Avenue.

Treatment Methodology: Pavement testing confirmed that the section from 24th Avenue to 28th Avenue needed to be reconstructed due to the poor condition of the street surfacing, which was exhibiting severe fatigue (load-related) cracking and severe transverse cracking and rutting. Due to the quality of subsurface soils and existing materials, the section of Hilyard Street from 24th to 28th Avenue was able to be reconstructed using the in-place recycling technique (see Key Terms) which creates a cement treated base by mixing existing materials with dry cement and water. The section of Hilyard from 28th to 34th Avenue was able to be rehabilitated by removing and repaving the top 5 inches of pavement.

Costs: Total project costs, from all funding sources, are estimated at \$1,389,000.

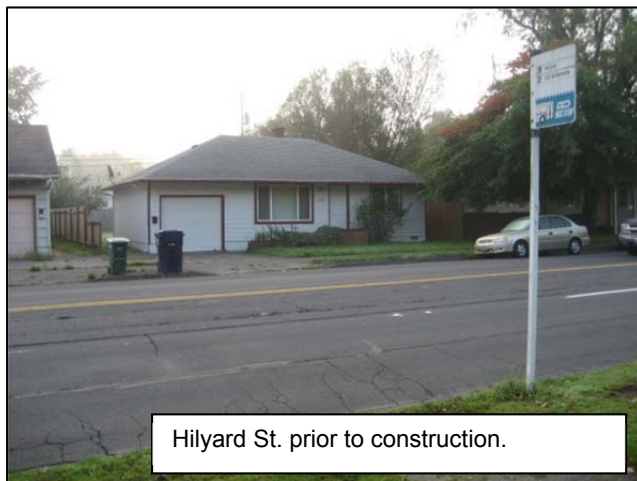
Total Bond Funds Programmed to the Project = \$2,900,000

Total Projected/Actual Bond Funds Used = \$1,340,000

Difference = \$1,560,000

Additional Sources of Funding: Local gas taxes, stormwater and wastewater utility fees, and transportation system development charges.

Project Photos:



Hilyard St. prior to construction.



Hilyard St. after construction

Pearl Street from 4th Avenue to Broadway

Project Description: This project included a mix of reconstruction and rehabilitation of Pearl Street from 4th Avenue to Broadway.

Treatment Methodology: Pavement testing confirmed that the section of Pearl Street from 4th to 8th Avenue needed to be reconstructed due to the poor condition of the street surfacing, which was exhibiting severe fatigue (load-related) cracking and severe transverse cracking and rutting. The remaining section of Pearl from 8th to Broadway was able to be rehabilitated by removing and repaving the top 3 inches of pavement.

Costs: Total project costs, from all funding sources, are estimated at \$700,000.

Total Bond Funds Programmed to the Project = \$ 470,000

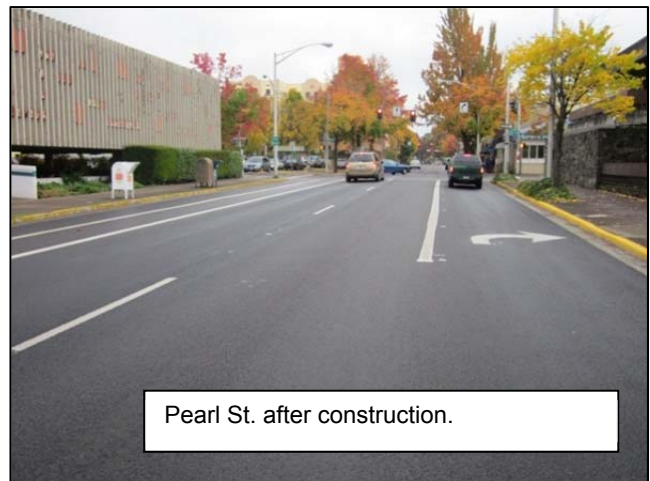
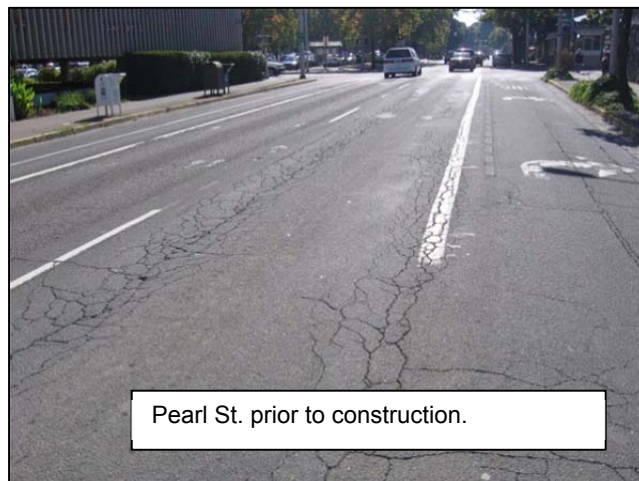
Total Projected/Actual Bond Funds Used = \$ 640,000

Difference = \$ -170,000

This project exceeded the original programmed funds due to more of the street section needing to be reconstructed than anticipated at the time of the bond measure.

Additional Sources of Funding: Local gas taxes and stormwater utility fees.

Project Photos:



River Road from Horn Lane to Railroad Boulevard

Project Description: This project included rehabilitation of River Road from Horn Lane to Railroad Boulevard.

Treatment Methodology: Based on the surface condition of the street, it was originally anticipated that full-depth reconstruction would be needed to rehabilitate this street. Pavement testing and evaluation of the current conditions by City staff indicated that the River Road could be rehabilitated by removing the top 4 inches of failed pavement and replacing it with 4 inches of new warm mix asphalt pavement. The evaluation also determined that underlying existing cement treated base was structurally sound such that no full-depth repairs were needed on this street. The center turn lane was in very good condition and only needed the surface sealed.

Costs: Total project costs, from all funding sources, are estimated at \$1,188,000.

Total Bond Funds Programmed to the Project = \$2,000,000

Total Projected/Actual Bond Funds Used = \$1,122,000

Difference = \$ 878,000

Additional Sources of Funding: Stormwater and wastewater utility fees and transportation system development charges.

Project Photos:



River Rd. prior to construction.



River Rd. after construction.

South Bank Rehabilitation

Project Description: This project included reconstruction or overlay of the existing South Bank off-street path with concrete pavement.

Treatment Methodology: The existing asphalt path was cracking due to expansion and contraction of the underlying soils. Sections of the path that were deemed to be stable were overlaid with 6 inches of concrete reinforced with structural fibers. Where the existing path was experiencing severe cracking and movement the existing path was excavated and 7 inches of concrete reinforced with structural fibers was constructed over 8 inches of base rock.

Structural fibers were incorporated into the new concrete path to help prevent cracking due to soil expansion and contraction. The pavement structure thickness is based on the soil conditions and use of the path by emergency and maintenance vehicles.

Costs: Total project costs, from all funding sources, are estimated at \$465,000.

Total Bond Funds Programmed to the Project = \$367,000

Total Projected/Actual Bond Funds Used = \$465,000

Difference = \$-98,000

The South Bank Path is in need of rehabilitation from the Greenway Bike Bridge at Maurie Jacobs Park to the DeFazio Bridge. During design, this length was split approximately in half for construction such that the segment from the Greenway Bike Bridge to the River Play Park was completed in 2011 and the remainder to the DeFazio Bridge will be completed in 2013. After bidding the 2011 segment, it was estimated that the project cost would be \$435,000. It was determined at that time that reducing the project scope further would create a discontinuity in the reconstructed section and that reducing the construction quantities would allow the contractor to renegotiate bid prices which would have a diminishing return on costs. During construction, tree root issues, storm drainage issues and public input increased the cost to \$465,000.

Project Photos:



South Bank Path prior to construction



South Bank Path after construction.

Willamette Street from 29th Avenue to 46th Avenue

Project Description: This project included a mix of reconstruction and rehabilitation of Willamette Street from 29th Avenue to 46th Avenue. The section from 40th Avenue to Crest Drive was reconstructed using the in-place recycling technique (see Key Terms) which creates a cement-treated base by mixing existing materials with dry cement and water.

Treatment Methodology: Pavement testing confirmed that the section of Willamette Street from 29th to 40th Avenue needed to be reconstructed due to the poor condition of the street surfacing, which was exhibiting severe fatigue (load-related) cracking and severe transverse cracking and rutting. Due to the quality of subsurface soils and existing materials, the section from 40th to Crest Drive was able to be reconstructed using the in-place recycling technique. The remaining section of Willamette from 40th to 46th was able to be rehabilitated by removing and repaving the top 5 inches of pavement.

Costs: Total project costs, from all funding sources, are estimated at \$1,975,000.

Total Bond Funds Programmed to the Project =	\$2,254,000
Total Projected/Actual Bond Funds Used =	\$1,727,000
Difference =	\$ 527,000

Additional Sources of Funding: Stormwater and wastewater utility fees, and transportation system development charges.

Project Photos:



Wilson Street from 5th Avenue to 7th Avenue

Project Description: This project included rehabilitation of Wilson Street from 5th Avenue to 11th Avenue with isolated areas of full-depth pavement removal and replacement. The section from 5th to 7th Avenue was identified in the bond measure to be rehabilitated. In conducting the evaluation of the existing conditions, it was determined that the section from 7th to 11th also needed to be rehabilitated and local gas tax funds were used to supplement the bond funds to complete the entire length from 5th to 11th.

Treatment Methodology: Pavement testing and evaluation of the current conditions by City staff indicated that the majority of Wilson Street could be rehabilitated by removing the top 3.5 inches of failed pavement and replacing it with 5 inches of new warm mix asphalt pavement. These repairs were needed to remove cracking and add structural strength to the pavement section to account for traffic loads. The City also specified the use of Reclaimed Asphalt Shingles (RAS) in the warm mix pavement.

Costs: Total project costs, from all funding sources, are estimated at \$252,000.

Total Bond Funds Programmed to the Project =	\$ 100,000
Total Projected/Actual Bond Funds Used =	\$ 164,000
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Difference =	\$ -64,000

As noted above, this street was exhibiting load related failures due to the industrial nature of the traffic and testing confirmed that the street needed strengthening in order to meet a 20-year design life. The programmed budget was based on a typical grind and re-paving process. Instead, additional pavement thickness was needed to address the lack of strength and increased the project cost.

Additional Sources of Funding: Local gas taxes, stormwater and wastewater utility fees, and transportation system development charges.

Project Photos:



5-Year Street Bond Project List

Project Map #	Street name	From	To	Ward(s)	Proposed Treatment	Programmed Cost	Projected/ Actual Cost	Difference
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Construction Year 2009

6	Bailey Hill Rd	18th Ave	East Side Of Bertelsen	8	Reconstruct/Overlay	\$ 1,866,000	\$ 883,000	\$ 983,000
15	Goodpasture Is Rd	Norkenzie Rd	Delta Hwy Bridge	5	Overlay	\$ 367,000	\$ 435,000	\$ (68,000)
20	Railroad Blvd	Van Buren	Chambers	7	Overlay	\$ 421,000	\$ 398,000	\$ 23,000

Construction Year 2009 Totals = \$ 2,654,000 \$ 1,716,000 \$ 938,000**Construction Year 2010**

1	18th Ave	510' East Of Chambers	City View	1	Reconstruct/Overlay	\$ 1,733,000	\$ 1,333,000	\$ 400,000
14	Goodpasture Is Rd	Bridge Over Slough	Kingsley Rd	5	Reconstruct/Overlay	\$ 1,319,000	\$ 689,000	\$ 633,000
		1750-feet North of Valley River Dr	1250-feet North of Valley River Dr					
16	Harlow Rd	I-5	Coburg	4	Reconstruct/Overlay	\$ 1,202,000	\$ 889,000	\$ 313,000
18	Patterson	E 13th Ave	23rd Ave	3	Reconstruct	\$ 2,134,000	\$ 1,285,000	\$ 849,000
2	18th Ave	Hilyard	Patterson	1				
3	23rd Ave	Hilyard	Patterson	3				
29	Willamette St	306' North Of 29th Ave	140' South Of 29th Ave	2	Reconstruct	\$ 405,000	\$ 550,000	\$ (145,000)
29	Willamette St	46th Ave	52nd Ave	2	Overlay	\$ 500,000	\$ 412,000	\$ 88,000

Construction Year 2010 Totals = \$ 7,293,000 \$ 5,158,000 \$ 2,138,000**Construction Year 2011**

2	18th Ave	Patterson	Washington	1,3	Reconstruct/Overlay	\$ 2,052,000	\$ 1,716,000	\$ 336,000
5	Alder	Broadway	18th Ave	3	Reconstruct/Overlay	\$ 964,000	\$ 1,190,000	\$ (226,000)
10	Coburg Rd	850' North Of Cal Young	450' North Of I-105 Off Ramp	4	Overlay	\$ 1,479,000	\$ 1,417,000	\$ 62,000
11	Conger St	7th Ave	11th Ave	7	Overlay	\$ 147,000	\$ 201,000	\$ (54,000)
17	Hilyard St	E 24th Ave	34th Ave	2,3	Reconstruct	\$ 2,900,000	\$ 1,340,000	\$ 1,560,000
19	Pearl	4th Ave	200' North Of Broadway	7	Reconstruct/Overlay	\$ 470,000	\$ 640,000	\$ (170,000)
21	River Rd	Horn Ln	Railroad	7	Reconstruct/Overlay	\$ 2,000,000	\$ 1,122,000	\$ 878,000
29	Willamette St	140' South Of 29th Ave	46th	2	Reconstruct/Overlay	\$ 2,254,000	\$ 1,727,000	\$ 527,000
30	Wilson St	W 5th Ave	W 7th Ave	7	Overlay	\$ 100,000	\$ 164,000	\$ (64,000)

Construction Year 2011 Totals = \$ 12,366,000 \$ 9,517,000 \$ 2,849,000**Construction Year 2012**

4	24th Ave	Jefferson	Chambers	1	Reconstruct/Overlay	\$ 622,000	\$ -	\$ -
31	Augusta	16th Ave	26th Ave	3	Reconstruct	\$ 1,434,000	\$ -	\$ -
8	Brewer	Gilham	Norkenzie	5	Reconstruct/Overlay	\$ 146,000	\$ -	\$ -
12	Curtis Ave	550' East Of Norkenzie	Norkenzie	5	Overlay	\$ 38,000	\$ -	\$ -
13	Gilham Rd	Honeywood St	Crescent	5	Overlay	\$ 305,000	\$ -	\$ -
14	Goodpasture Is Rd	Kingsley Rd	1750-Feet N of Valley River Drive	5	Overlay	\$ 448,000	\$ -	\$ -
23	Riverview St	Sylvan	16th Ave	3	Overlay	\$ 82,000	\$ -	\$ -
22		Franklin Off Ramp	247' South Of Franklin Off Ramp					
24	Royal Ave	Hwy 99	100' East Of Waite St	8	Reconstruct	\$ 1,565,000	\$ -	\$ -
25	Silver Ln	River Rd	Grove	7	Overlay	\$ 305,000	\$ -	\$ -
32	Taney St	Barger	Marshall	6	Reconstruct	\$ 349,000	\$ -	\$ -
26	Terry St	1100' North Of Avalon St	Royal	6	Reconstruct/Overlay	\$ 978,000	\$ -	\$ -
28	Warren St	Bailey Hill	Timberline Dr	8	Reconstruct/Overlay	\$ 217,000	\$ -	\$ -

Construction Year 2012 Totals = \$ 6,489,000 \$ - \$ -**Construction Year 2013**

7	Blair Blvd	2nd Ave	Monroe	7	Reconstruct/Overlay	\$ 1,228,000	\$ -	\$ -
27	Van Buren	RR Crossing	Blair Blvd	7	Reconstruct	\$ 305,000	\$ -	\$ -
10	Coburg Rd	Crescent	South Onramp Beltline	4	Overlay	\$ 415,000	\$ -	\$ -
33	5th Avenue	High Street	Blair Street	7	Reconstruct/Overlay	*	\$ 2,000,000	\$ -
34	5th Avenue	SS HWY 99	ES Bailey Hill Rd	7,8	Reconstruct	*	\$ 1,949,000	\$ -
35	8th Avenue	WS Lincoln St	WS Monroe St	7	Reconstruct	*	\$ 752,000	\$ -
36	10th Avenue	WS Olive St	WS Jefferson St	7	Reconstruct	*	\$ 653,000	\$ -
37	18th Avenue	Washington Street	510' East of Chambers	1	Reconstruct	*	\$ 2,300,000	\$ -
38	46th Avenue	WS Donald St	ES Willamette St	2	Reconstruct	*	\$ 105,000	\$ -
39	Alder Street	SS 18th Ave	NS 24th Ave	3	Reconstruct	*	\$ 471,000	\$ -
40	Broadway	WS Lincoln St	ES Monroe St	7	Reconstruct	*	\$ 486,000	\$ -
41	Coburg Road	City Limits	Crescent Ave	4,5	Overlay	*	\$ 515,000	\$ -

5-Year Street Bond Project List

Project Map #	Street name	From	To	Ward(s)	Proposed Treatment	Programmed Cost	Projected/ Actual Cost	Difference
42	Donald Street	SS E 46th Ave	NS Fox Hollow Rd	2	Overlay	*	\$ 254,000	\$ -
43	Donald Street	Willamette St	40th Ave	2	Reconstruct/Overlay	*	\$ 690,000	\$ -
44	Friendly Street	NS W 24th Ave	NS W 28th Ave	1	Overlay	*	\$ 346,000	\$ -
45	Garden Way	SS Harlow Rd	S 110 Sisters View A	4	Overlay	*	\$ 157,000	\$ -
46	Harris Street	18th Ave	28th Ave	3	Reconstruct/Overlay	*	\$ 800,000	\$ -
47	Hilyard Street	SS E Broadway	NS E 11th Ave	3	Overlay	*	\$ 245,000	\$ -
48	Marshall Avenue	Hughes	Echo Hollow Rd	6	Overlay	*	\$ 310,000	\$ -
49	Olive Street	NS 10th Ave	NS 13th Ave	7	Reconstruct	*	\$ 413,000	\$ -
50	Roosevelt Blvd.	Danebo Rd	Terry St	8	Overlay	*	\$ 200,000	\$ -
51	Terry Street	Manwood	Barger	6	Overlay	*	\$ 184,000	\$ -
52	Valley River Way	SS Valley River Dr	SS Cul-de-Sac	5	Reconstruct/Overlay	*	\$ 324,000	\$ -
53	Willakenzie Rd	ES Bogart Ln	ES Coburg Rd	4	Overlay	*	\$ 697,000	\$ -
54	Willamette Street	NS 19th Ave	SS DRWY 2415	1	Overlay	*	\$ 332,000	\$ -

*City Council authorized additional streets to be repaired with remaining bond measure proceeds.

Construction Year 2013 Totals = \$ 1,948,000 \$ 14,183,000 \$ -

Total Programmed Costs = \$ 30,750,000

Off-Street (Shared Use) Path Project List

Project Map ID	Off-Street Path Project	From	To	Ward(s)	Proposed Treatment	Programmed Cost	Projected/ Actual Cost	Difference
Construction Year 2009								
A	Amazon Path	19th Ave	31st Ave	3	Reconstruct	\$ 648,000	\$ 748,000	\$ (100,000)
Construction Year 2010								
B	Fern Ridge Path	Van Buren St.	Chambers St.	1	Reconstruct	\$ 410,000	\$ 405,000	\$ 5,000
C	Westmoreland Connector Path	Polk Street	500' West of Polk St.	1	Reconstruct			
Construction Year 2011								
D	South Bank Path	Maurie Jacobs Park	River Play Park	7	Reconstruct	\$ 367,000	\$ 465,000	\$ (98,000)
Construction Year 2012								
E	West Bank Path	Greenway Bridge	Stephans St.	7	Reconstruct	\$ 350,000	\$ -	\$ -
Construction Year 2013								
F	South Bank Path	River Play Park	DeFazio Bridge	7	Reconstruct	\$ 350,000	\$ -	\$ -

Total Programmed Off-Street Path Project Costs in 2008 Dollars = \$ 2,125,000

Summary of Bond Costs

Total Street Projects in 2008 Dollars = \$ 30,750,000

Total Off-Street Path Projects = \$ 2,125,000

Bond Issuance Costs = \$ 130,000

Inflation = \$ 2,895,000

Total Bond Costs = \$ 35,900,000

5-Year Street Bond Project List Forecast

Project Map #	Street name	From	To	Ward(s)	Proposed Treatment	Projected/Actual Cost
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Construction Year 2009

6	Bailey Hill Rd	18th Ave	East Side Of Bertelsen	8	Reconstruct/Overlay	\$ 883,000
15	Goodpasture Is Rd	Norkenzie Rd	Delta Hwy Bridge	5	Overlay	\$ 435,000
20	Railroad Blvd	Van Buren	Chambers	7	Overlay	\$ 398,000

Construction Year 2009 Totals = \$ 1,716,000

Construction Year 2010

1	18th Ave	510' East Of Chambers	City View	1	Reconstruct/Overlay	\$ 1,333,000
14	Goodpasture Is Rd	Bridge Over Slough	Kingsley Rd	5	Reconstruct/Overlay	\$ 689,000
		1750-foot North of Valley River Dr	1250-foot North of Valley River Dr			
16	Harlow Rd	I-5	Coburg	4	Reconstruct/Overlay	\$ 889,000
18	Patterson	E 13th Ave	23rd Ave	3	Reconstruct	\$ 1,285,000
2	18th Ave	Hilyard	Patterson	1		
3	23rd Ave	Hilyard	Patterson	3		
29	Willamette St	306' North Of 29th Ave	140' South Of 29th Ave	2	Reconstruct	\$ 550,000
29	Willamette St	46th Ave	52nd Ave	2	Overlay	\$ 412,000

Construction Year 2010 Totals = \$ 5,158,000

Construction Year 2011

2	18th Ave	Patterson	Washington	1,3	Reconstruct/Overlay	\$ 1,716,000
5	Alder	Broadway	18th Ave	3	Reconstruct/Overlay	\$ 1,190,000
9	Coburg Rd	850' North Of Cal Young	450' North Of I-105 Off Ramp	4	Overlay	\$ 1,417,000
11	Conger St	7th Ave	11th Ave	7	Overlay	\$ 201,000
17	Hilyard St	E 24th Ave	34th Ave	2,3	Reconstruct	\$ 1,340,000
19	Pearl	4th Ave	200' North Of Broadway	7	Reconstruct/Overlay	\$ 640,000
21	River Rd	Horn Ln	Railroad	7	Overlay	\$ 1,122,000
29	Willamette St	140' South Of 29th Ave	46th	2	Reconstruct/Overlay	\$ 1,727,000
30	Wilson St	W 5th Ave	W 7th Ave	7	Overlay	\$ 164,000

Construction Year 2011 Totals = \$ 9,517,000

Construction Year 2012

4	24th Ave	Jefferson	Chambers	1	Reconstruct/Overlay	\$ 622,000
31	Augusta	16th Ave	26th Ave	3	Reconstruct	\$ 882,000
8	Brewer	Gilham	Norkenzie	5	Reconstruct/Overlay	\$ 146,000
12	Curtis Ave	550' East Of Norkenzie	Norkenzie	5	Overlay	\$ 38,000
13	Gilham Rd	Honeywood St	Crescent	5	Overlay	\$ 329,000
14	Goodpasture Is Rd	Kingsley Rd	1250-Foot N of Valley River Drive	5	Overlay	\$ 418,000
23	Riverview St	Sylvan	16th Ave	3	Reconstruct	\$ 211,000
22		Franklin Off Ramp	247' South Of Franklin Off Ramp			
24	Royal Ave	Hwy 99	100' East Of Waite St	8	Reconstruct	\$ 1,552,000
25	Silver Ln	River Rd	Grove	7	Overlay	\$ 305,000
32	Taney St	Barger	Marshall	6	Reconstruct	\$ 496,000
26	Terry St	1100' North Of Avalon St	Royal	6	Reconstruct/Overlay	\$ 483,000
28	Warren St	Bailey Hill	Timberline Dr	8	Reconstruct/Overlay	\$ 277,000

Construction Year 2012 Totals = \$ 5,759,000

Construction Year 2013

7	Blair Blvd	2nd Ave	Monroe	7	Reconstruct/Overlay	\$ 982,400
27	Van Buren	RR Crossing	Blair Blvd	7	Reconstruct	\$ 244,000
10	Coburg Rd	Crescent	South Onramp Beltline	4	Overlay	\$ 332,000
33*	5th Avenue	High Street	Blair Street	7	Reconstruct/Overlay	\$ 2,000,000
34**	5th Avenue	SS HWY 99	ES Bailey Hill Rd	7,8	Reconstruct	\$ 1,949,000
35*	8th Avenue	WS Lincoln St	WS Monroe St	7	Reconstruct	\$ 752,000
36*	10th Avenue	WS Olive St	WS Jefferson St	7	Reconstruct	\$ 653,000
37*	18th Avenue	Washington Street	510' East of Chambers	1	Reconstruct	\$ 2,300,000
38*	46th Avenue	WS Donald St	ES Willamette St	2	Reconstruct	\$ 105,000
39*	Alder Street	SS 18th Ave	NS 24th Ave	3	Reconstruct	\$ 471,000
40*	Broadway	WS Lincoln St	ES Monroe St	7	Reconstruct	\$ 486,000
41*	Coburg Road	City Limits	Crescent Ave	4,5	Overlay	\$ 515,000
42*	Donald Street	SS E 46th Ave	NS Fox Hollow Rd	2	Overlay	\$ 254,000

5-Year Street Bond Project List Forecast

Project Map #	Street name	From	To	Ward(s)	Proposed Treatment	Projected/ Actual Cost
43*	Donald Street	Willamette St	40th Ave	2	Reconstruct/Overlay	\$ 690,000
44**	Friendly Street	NS W 24th Ave	NS W 28th Ave	1	Overlay	\$ 346,000
45*	Garden Way	SS Harlow Rd	S 110 Sisters View Ave	4	Overlay	\$ 157,000
46*	Harris Street	18th Ave	28th Ave	3	Reconstruct/Overlay	\$ 800,000
47*	Hilyard Street	SS E Broadway	NS E 11th Ave	3	Overlay	\$ 245,000
48*	Marshall Avenue	Hughes	Echo Hollow Rd	6	Overlay	\$ 310,000
49*	Olive Street	NS 10th Ave	NS 13th Ave	7	Reconstruct	\$ 413,000
50*	Roosevelt Blvd.	Danebo Rd	Terry St	8	Overlay	\$ 200,000
51*	Terry Street	Manwood	Barger	6	Overlay	\$ 184,000
52*	Valley River Way	SS Valley River Dr	SS Cul-de-Sac	5	Reconstruct/Overlay	\$ 324,000
53*	Willakenzie Rd	ES Bogart Ln	ES Coburg Rd	4	Overlay	\$ 697,000
54*	Willamette Street	NS 19th Ave	SS DRWY 2415	1	Overlay	\$ 332,000

*Group 1 - City Council authorized additional streets highly likely to be repaired with remaining bond measure proceeds.

Construction Year 2013 Totals = \$ 15,741,400

**Group 2 - There may be a need to supplement the funding of these projects with a portion of the street repair capital budget funded by the local gas tax

Total Programmed Costs = \$ 37,891,400

Off-Street (Shared Use) Path Project List

Project Map ID	Off-Street Path Project	From	To	Ward(s)	Proposed Treatment	Programmed Cost
Construction Year 2009						
A	Amazon Path	19th Ave	31st Ave	3	Reconstruct	\$ 748,000
Construction Year 2010						
B	Fern Ridge Path	Van Buren St.	Chambers St.	1	Reconstruct	\$ 405,000
C	Westmoreland Connector Path	Polk Street	500' West of Polk St.	1	Reconstruct	
Construction Year 2011						
D	South Bank Path	Maurie Jacobs Park	River Play Park	7	Reconstruct	\$ 465,000
Construction Year 2012						
E	West Bank Path	Greenway Bridge	Stephans St.	7	Reconstruct	\$ 350,000
Construction Year 2013						
F	South Bank Path	River Play Park	DeFazio Bridge	7	Reconstruct	\$ 350,000

Total Programmed Off-Street Path Project Costs in 2008 Dollars = \$ 2,318,000

Summary of Projected Bond Costs

Street and Off-Street Project Costs = \$ 40,209,400

Bond Issuance Costs = \$ 130,000

Bond Planning and Testing Expenditures = \$ 450,000

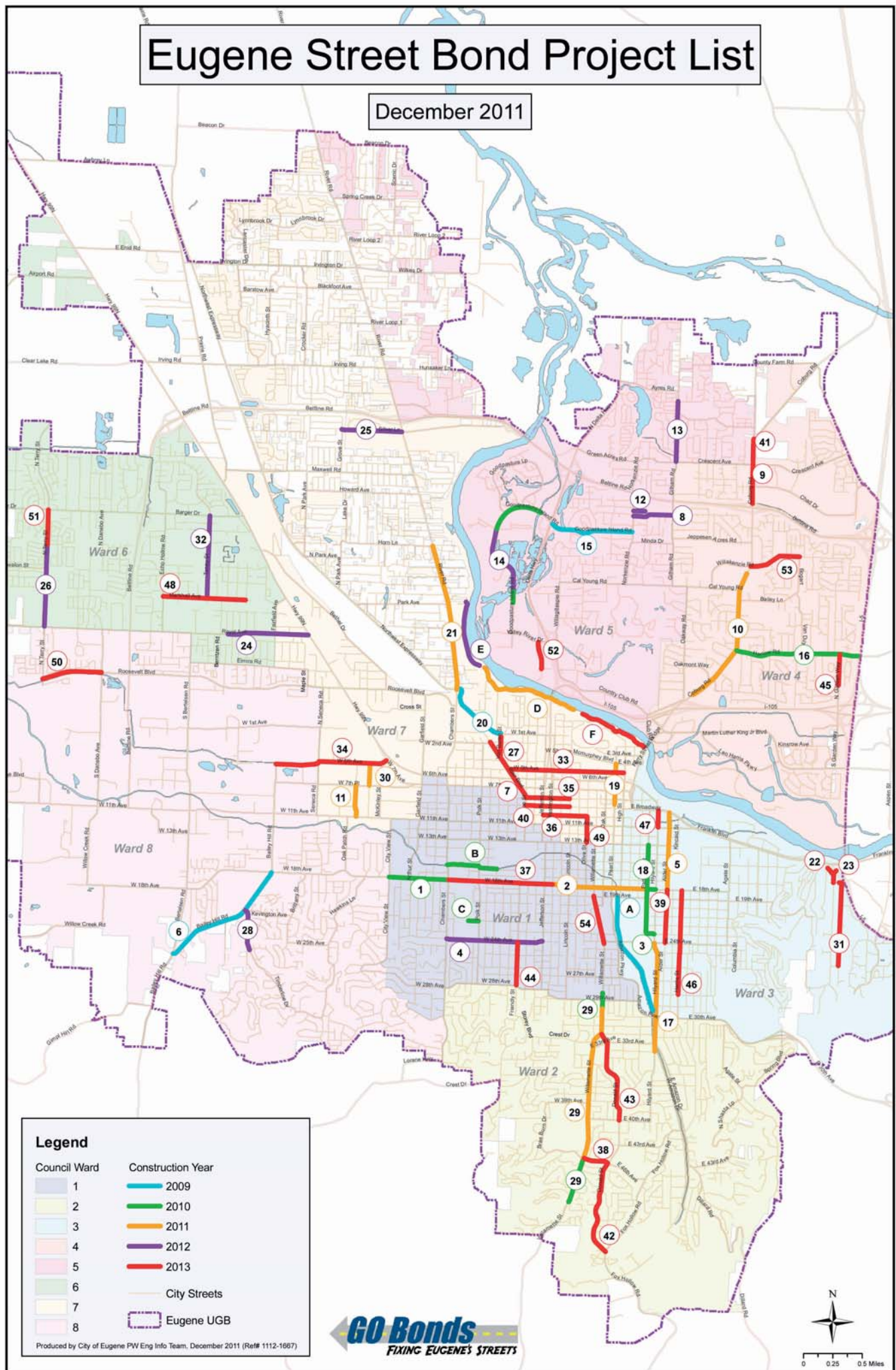
Total Bond Project Expenditures = \$ 40,789,400

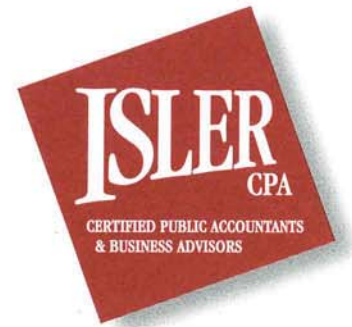
Less Approved Bond Measure = \$(35,900,000)

Projected Local Gas Tax to Supplement Bond (if necessary) = \$ 4,889,400

Eugene Street Bond Project List

December 2011





INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES

To Jon Ruiz, City Manager
City of Eugene
Eugene, Oregon

We have performed the procedures enumerated below, which were agreed to by the City of Eugene ("City"), solely to assist you in connection with the determination of whether the expenditure of general obligation bond funds approved for issuance through voter's approval of Ballot Measure 20-145 were expended in accordance with the purposes and limitations outlined in City Council Resolution No. 4953; namely that such expenditures were: a) used only for costs related to street preservation projects, off-street bicycle and pedestrian path preservation projects and payment of bond issuance costs and not to expand the capacity of the street system; and b) limited to projects included in Exhibit A to the Resolution unless upon completion of all of the projects listed in Exhibit A the Council adds other street preservation projects to the list in order to utilize unspent bond proceeds. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

All procedures were performed for expenditures incurred between December 1, 2010 and November 30, 2011. All procedures we performed were limited to documentation and information supplied to us by the City, as follows:

- An Excel spreadsheet detailing all payments made, charges allocated and/or invoices received by the City for expenditures related to the use of the bond proceeds
- Copies of Resolution No. 4953 and Ballot Measure 20-145
- Copies of bids and contracts issued by the City for any projects to be completed using the bond proceeds
- Copies of supporting documentation including, but not limited to, invoices, cancelled checks, payroll records, certifications of payments and bank statements; and
- Copies of the City's general ledger detail for the bond fund accounts, as needed

The procedures we performed and the associated findings are as follows:

- (1) *Expenditure testing.* From December 1, 2010 through November 30, 2011, total expenditures for the projects funded by the bond proceeds were \$9,631,111 per the City's general ledger detail of the bond fund. We tested \$5,164,101, or 54%, of those expenditures. All tested expenditures were supported by appropriate documentation such as invoices from vendors, certifications of payment, payroll records, signed contracts, and photographs of the work in progress. All tested expenditures were recorded in the proper account fund and period and were spent on street projects included in Exhibit A of City Council Resolution No. 4953. No exceptions were noted.

- (2) *Bond proceeds and project expenditures.* The following is a summary of bond proceeds and project expenditures from inception of the Street Bond project to November 30, 2011:

	From Issuance to 11/30/2009	From December 1, 2009 November 30, 2010	From December 1, 2010 November 30, 2011	Total
Bond proceeds	\$ 2,795,000	\$ 5,555,000	\$ 9,690,000	\$ 18,040,000
Project expenditures	2,682,749	5,737,236	9,631,111	18,051,096

- (3) As of November 30, 2011 the City had \$3,740,000 outstanding on the credit facility (\$9,690,000 in proceeds plus interest \$2,963 less \$5,952,963 repaid) with \$17,860,000 in authorized borrowing remaining (\$35,900,000 authorized less \$18,040,000 in proceeds).

Based on our limited testing, we noted that the City followed the purpose and limitation of the City Council Resolution #4953.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the financial records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City Manager of the City of Eugene, and is not intended to be and should not be used by anyone other than these specified parties.

Isler CPA

Isler CPA
Eugene, Oregon
December 30, 2011